



# HEART

HOUSING & ECONOMIC ASSISTANCE TO REBUILD TEXAS

**The Secret to Raising More Money: The Importance of Stewardship**

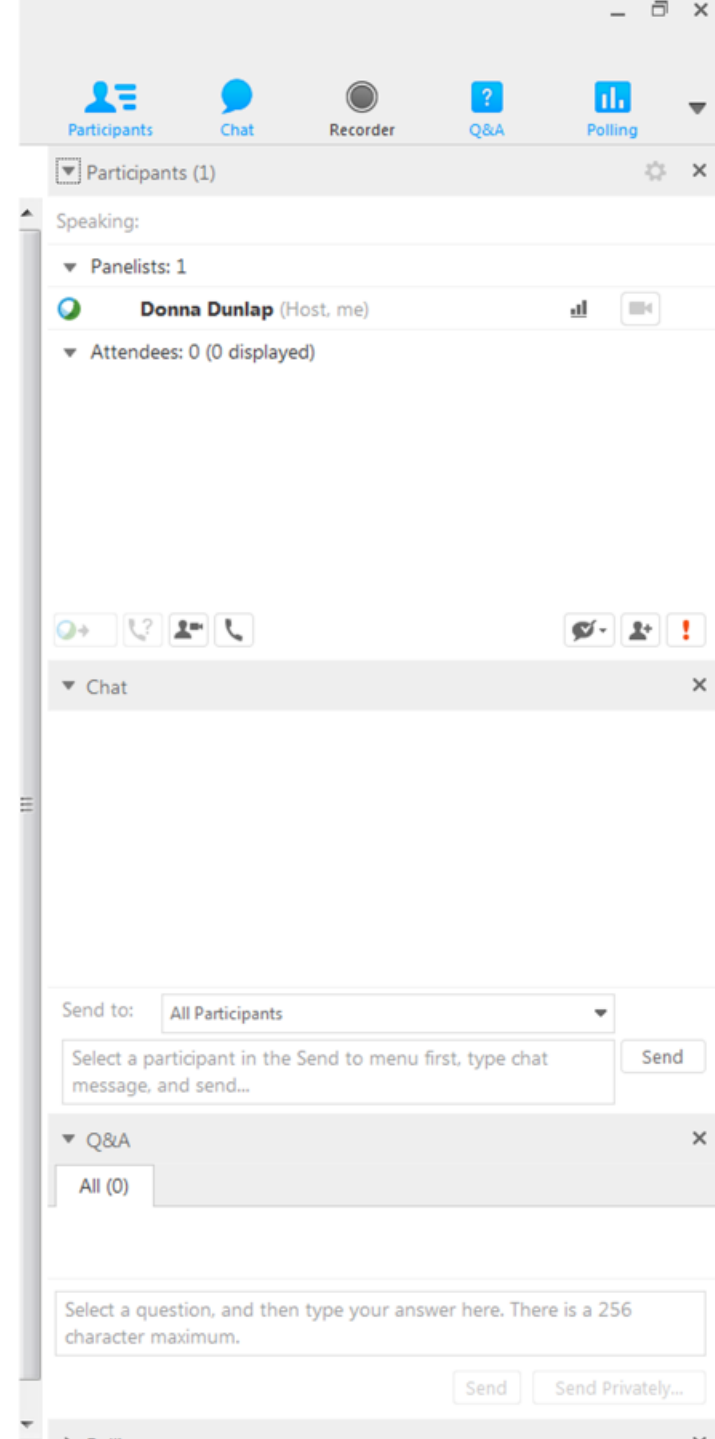
*July 24, 2019*

# Welcome & About Us



# Questions?

Type them into the Q&A box



The screenshot shows the Zoom interface with the Q&A section open. At the top, there are icons for Participants, Chat, Recorder, Q&A, and Polling. Below these, the 'Participants (1)' section is visible, showing 'Donna Dunlap (Host, me)' as the only participant. The 'Chat' section is also visible, showing a 'Send to:' dropdown menu set to 'All Participants'. Below the chat section, the 'Q&A' section is open, showing a list of questions and answers. The 'Q&A' section has a 'Send to:' dropdown menu set to 'All (0)'. The 'Q&A' section is currently empty, with a placeholder text: 'Select a question, and then type your answer here. There is a 256 character maximum.' Below the Q&A section, there are buttons for 'Send' and 'Send Privately...'.

Participants (1)

Speaking:

Panelists: 1

Donna Dunlap (Host, me)

Attendees: 0 (0 displayed)

Chat

Send to: All Participants

Select a participant in the Send to menu first, type chat message, and send...

Send

Q&A

All (0)

Select a question, and then type your answer here. There is a 256 character maximum.


Send Send Privately...

# Upcoming Webinars

<https://www.tsahc.org/nonprofits-local-governments/heart-program-documents#accordion-bottom-4>

- August 7, 2019 at 10:00am: Income Certification, Part II



A word cloud background with various terms related to fundraising and nonprofit management. The words are in different sizes, colors (mostly dark blue and red), and orientations (horizontal and vertical). The most prominent word is 'FUNDRAISING' in large, bold, dark blue letters at the bottom center. Other visible words include 'DONOR DEVELOPMENT', 'CAMPAIGN', 'VISIBILITY', 'BOARD OF DIRECTORS', 'SPECIAL EVENTS', 'LEADERSHIP', 'MISSION', 'TRAINING', 'STEWARDSHIP', 'EFFICIENCY', 'STRATEGY', 'PLANNED GIVING', 'CASE FOR SUPPORT', 'TEAMWORK', 'COMMUNICATION', 'STAFF', 'MAJOR GIFTS', 'DEVELOPMENT PLAN', 'VOLUNTEERS', 'MESSAGING', 'GROWTH', 'SUCCESS', 'UAL GIVING', and 'ING'.

# The Secret to Raising More Money

The Importance of Stewardship

# You are in the right place...

- Develop more, consistent financial resources.
- Established fundraising programs, or have never fundraised before.
- Enhance major gifts within your organization.
- Get a special project off the ground.
- Need to get your staff and board(s) on track.

# What you will discover...

- The meaning of stewardship
- The cost for not stewarding your donors
- Understanding metrics to measure stewardship
- Who is responsible
- How to build greater connections
- Creating a donor stewardship program



# The BIG Picture...

## What is Stewardship?

- The **PROCESS** that occurs once a donor has given to your organization
- The **Relationship** Building and communications that take place **AFTER** the gift has been received
- Meeting a donor's gift intentions and expectations within the parameters of your organization to create a **LONG-TERM**, mutually beneficial relationship.



Stewardship = Donor Relationships

**Drawing Your Donors into a Deeper Relationship with your  
Organization**

# Healthy Fundraising is Relational

Elements of a healthy relationship:

- Education
- Understanding
- Trust
- Respect

For the first time ever, charitable giving exceeded the \$400 billion mark in 2017, spurred by growth from all four sources of giving.

# \$410.02 billion

## Where did the generosity come from?\*

**Giving by Individuals** ↑ 5.2% **70%**  
\$286.65 billion

increased 5.2 percent (3.0 percent when inflation-adjusted) over 2016

**Giving by Foundations** ↑ 6.0% **16%**  
\$66.90 billion

increased 6.0 percent (3.8 percent when inflation-adjusted) over 2016

**Giving by Bequest** ↑ 2.3% **9%**  
\$35.70 billion

increased 2.3 percent (0.2 percent when inflation-adjusted) over 2016

**Giving by Corporations** ↑ 8.0% **5%**  
\$20.77 billion

### Contributions by source (by percentage of the total)


Giving by individuals increased \$14.27 billion over last year for a growth rate of 5.2 percent, on track with the growth in total giving.

Visit [www.GivingUSA.org](http://www.GivingUSA.org) to learn more and to order your copy of *Giving USA 2018: The Annual Report*

## Where are all of the charitable dollars going?

(as a percentage of the total)

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.9 percent all the way to 15.5 percent.

	<b>31% Religion</b> ↑	\$127.37 billion
	<b>14% Education</b> ↑	\$58.90 billion
	<b>12% Human Services</b> ↑	\$50.06 billion
	<b>11% To Foundations</b> ↑	\$45.89 billion
	<b>9% Health</b> ↑	\$38.27 billion
	<b>7% Public-Society Benefit</b> ↑	\$29.59 billion
	<b>5% Arts, Culture, and Humanities</b> ↑	\$19.51 billion
	<b>6% International Affairs</b> ↓	\$22.97 billion
	<b>3% Environment/Animals</b> ↑	\$11.83 billion
	<b>2% To Individuals</b> ↓	\$7.87 billion

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to

Giving to arts was the second-fastest growing subsector, with an 8.7 percent increase over the previous year to a total of \$19.51 billion in 2017.

Giving to foundations increased 15.5 percent in 2017, the largest gain of any subsector, far outpacing the growth in total giving.

# Top Ten Most Important Reasons Why People Give

From Colorado Planned Giving Roundtable October 2011

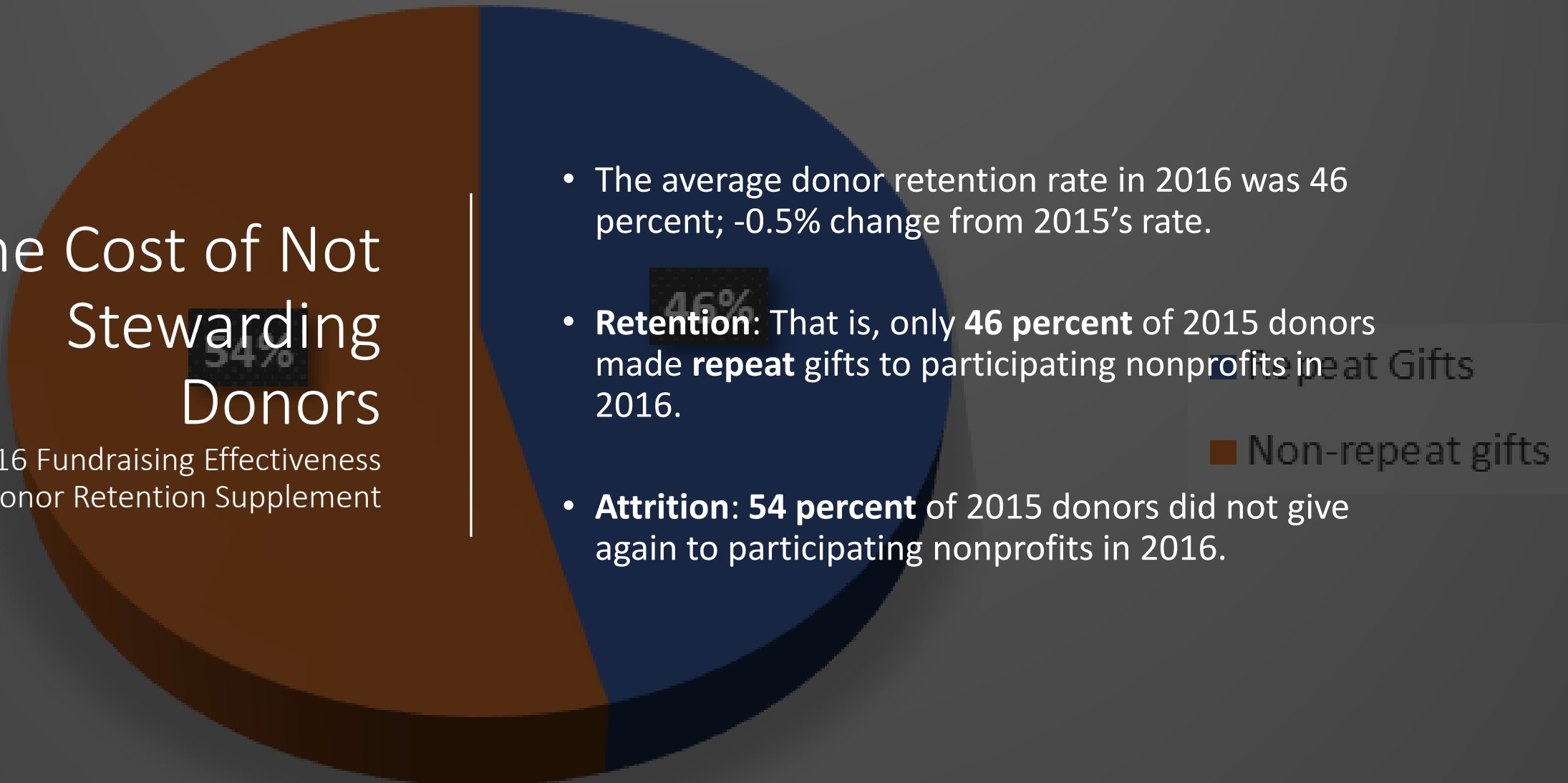
## According to Million Dollar + Donors

- 1 Belief in mission**
- 2 Community responsibility/civic pride**
- 3 Fiscal stability of the organization**
- 4 Regard for the staff leadership**
- 5 Respect for the organization**
- 6 Regard for volunteer leadership of the organization**
- 7 Serves on the Board, a major committee, etc**
- 8 Wider respect for the organization--in the state, region, nation**
- 9 Has an adult history of being involved with the organization**
- 10 Leverage or influence of the solicitor**

# Retention Rate 2016

## The Cost of Not Stewarding Donors

2016 Fundraising Effectiveness  
Donor Retention Supplement

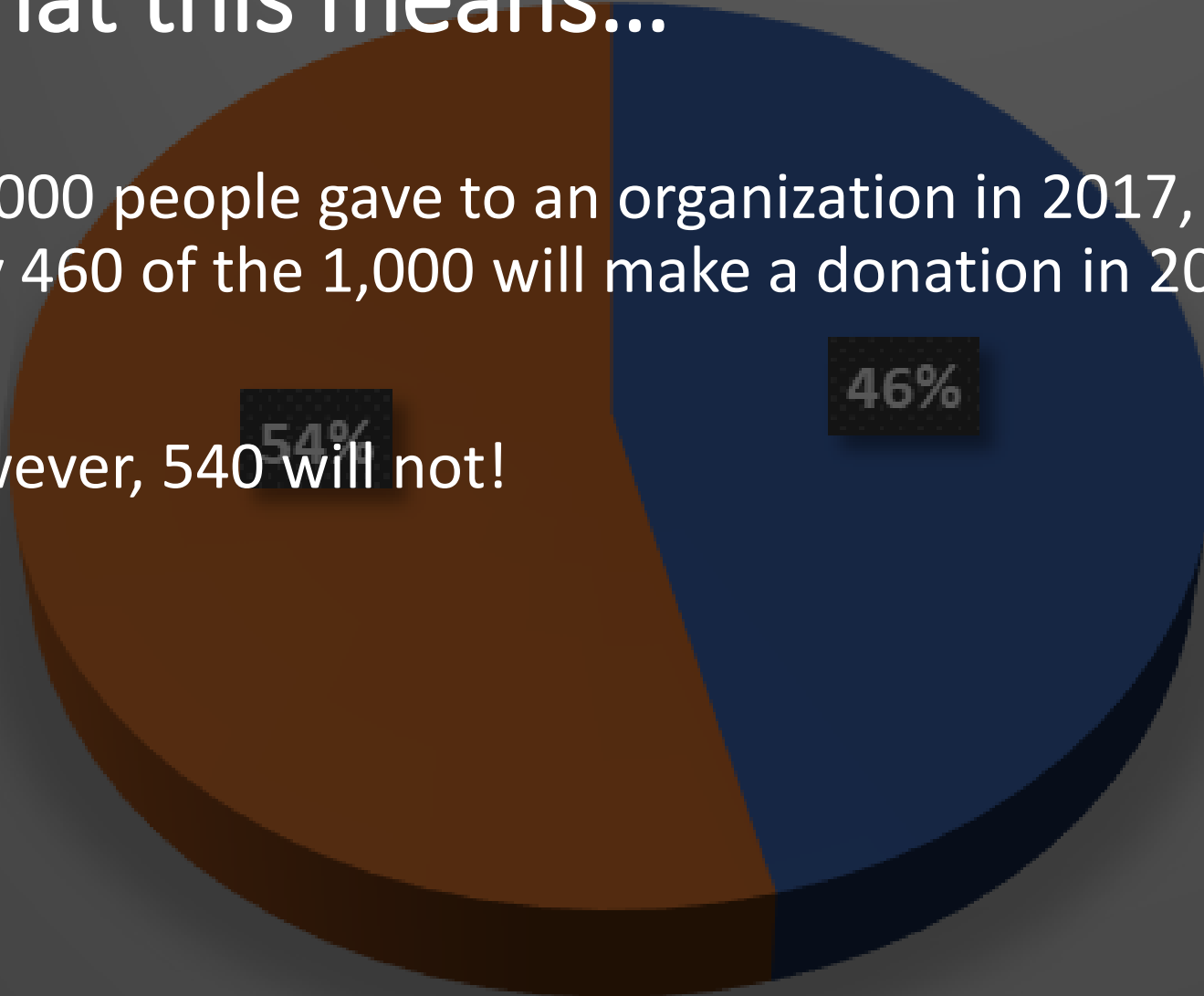


# Retention Rate 2016

## What this means...

If 1,000 people gave to an organization in 2017,  
only 460 of the 1,000 will make a donation in 2018.

However, 540 will not!



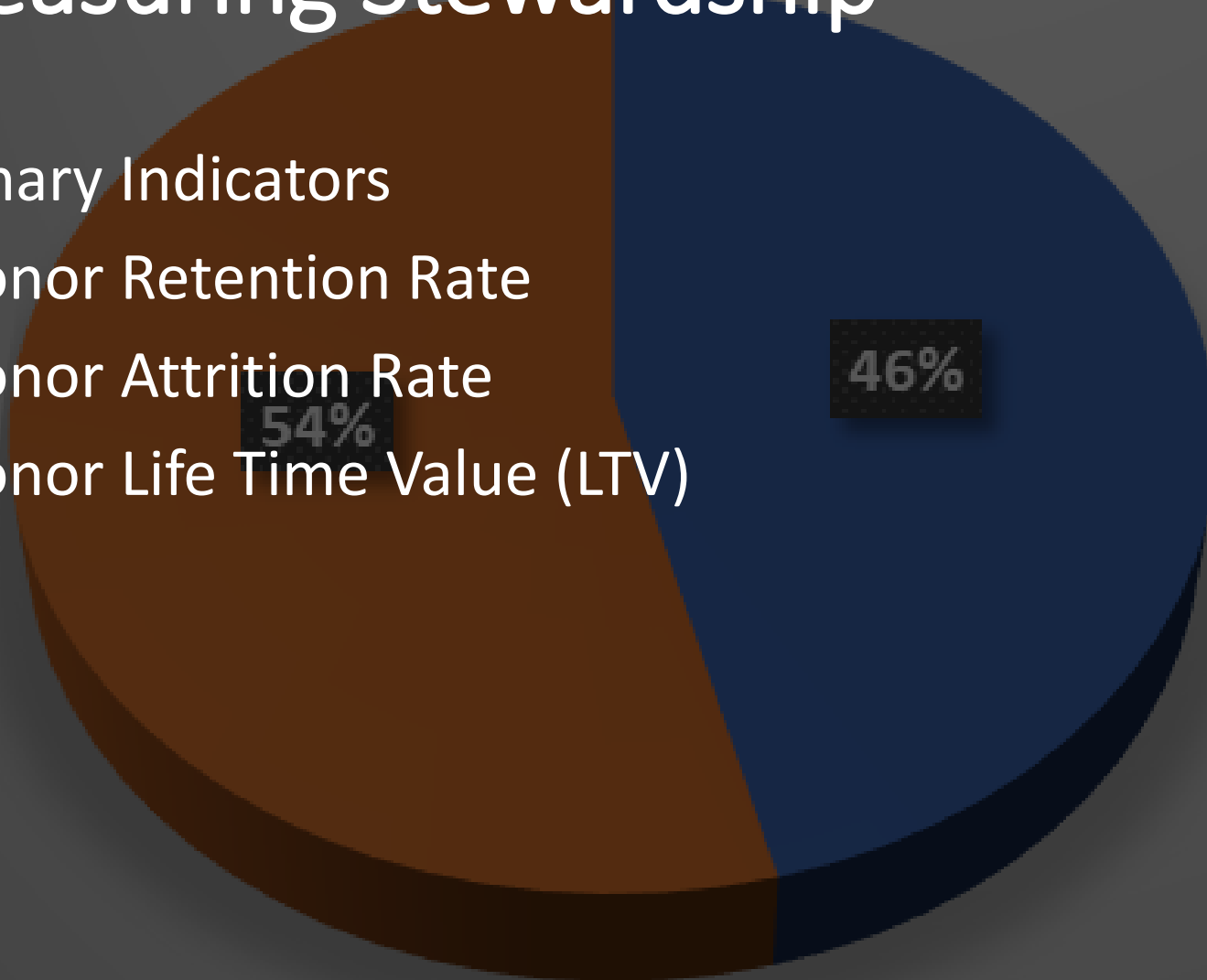
- Repeat Gifts
- Non-repeat gifts

# Retention Rate 2016

## Measuring Stewardship

### Primary Indicators

- Donor Retention Rate
- Donor Attrition Rate
- Donor Life Time Value (LTV)



- Repeat Gifts
- Non-repeat gifts

# Retention Rate 2016

## Donor Retention

$$\frac{\text{\# of Donors from previous 12 months}}{\text{\# of returning Donors for current 12 months}} = \text{Donor Retention Rate}$$

54%

46%

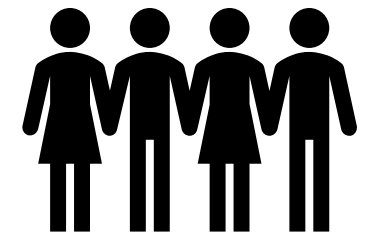
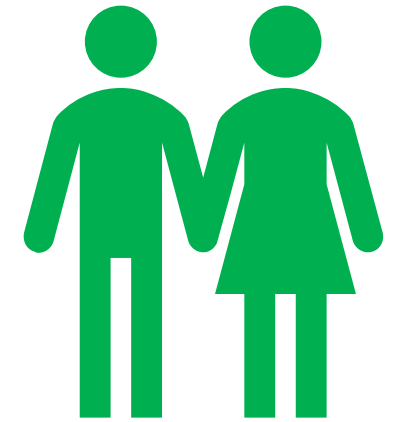
■ Repeat Gifts

■ Non-repeat gifts

In other words, if **1,000** donors gave to your organization in 2016, and only 400 of those 1,000 made a donation in 2017, your donor retention rate would be **40%**.



4 out of 10 new donors  
continue to give = 40%  
Retention





6 out of 10 new donors continue  
to give = 60% Retention



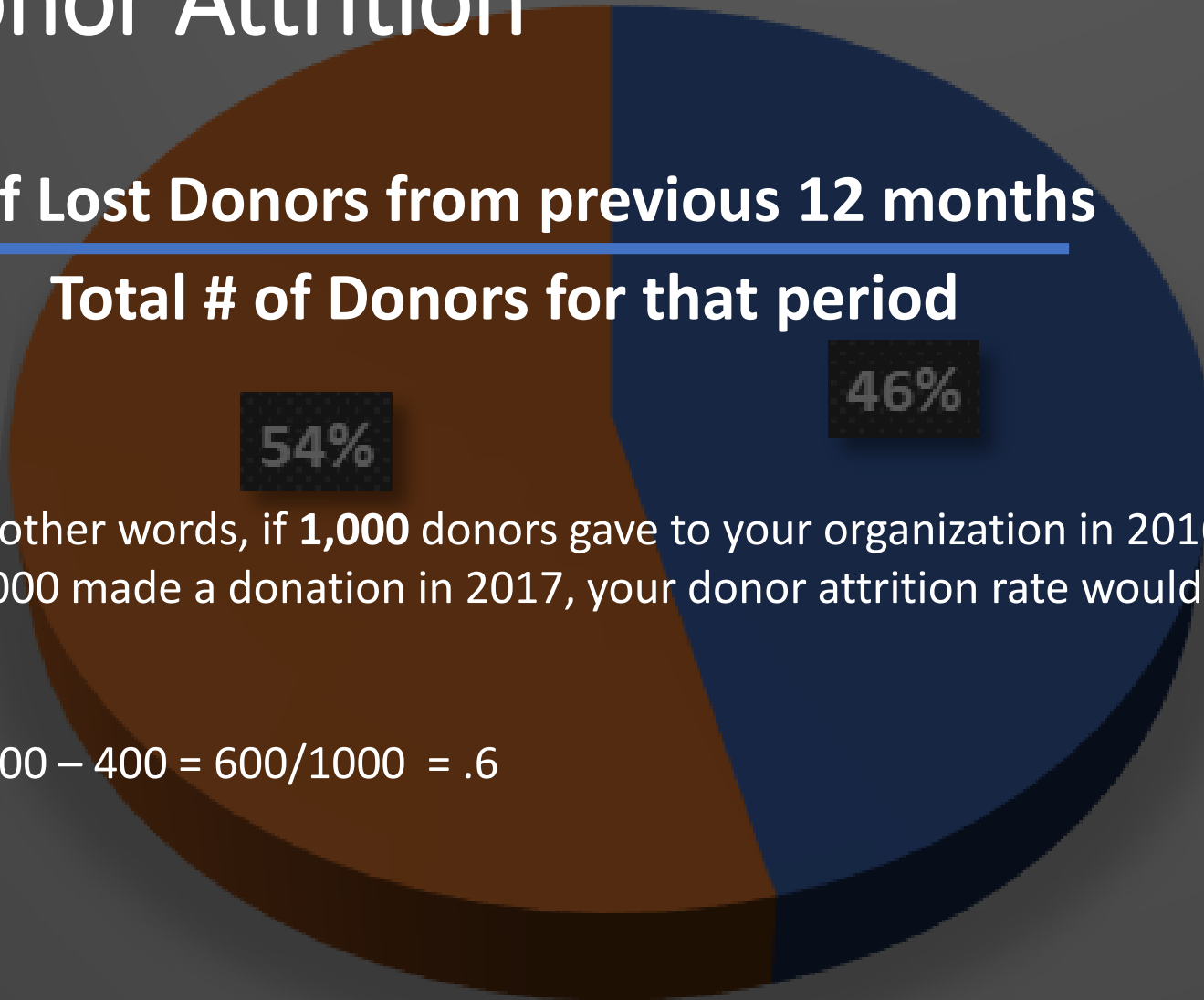
# Retention Rate 2016

## Donor Attrition

# of Lost Donors from previous 12 months

Total # of Donors for that period

= Donor Attrition Rate

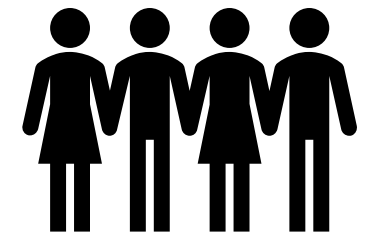
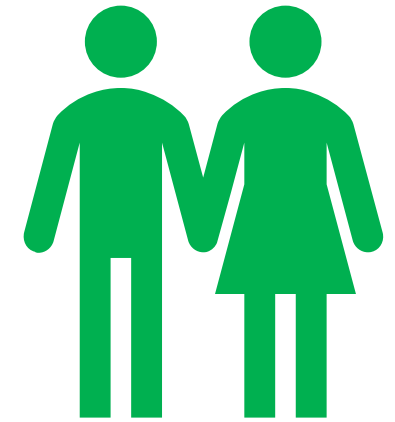


■ Repeat Gifts  
■ Non-repeat gifts

In other words, if **1,000** donors gave to your organization in 2016, and only 400 of those 1,000 made a donation in 2017, your donor attrition rate would be **60%**.

$$1000 - 400 = 600 / 1000 = .6$$

4 out of 10 new donors  
continue to give = 60%  
Attrition





6 out of 10 new donors continue  
to give = 60% Attrition



# Retention Rate 2016

## Donor Life Time Value (LTV)

**Average Annual Donor Gift Amount**

**Donor Attrition Rate**

**= Donor LTV**

54%

46%

■ Repeat Gifts  
■ Non-repeat gifts

In other words, if your donor attrition rate is 60% and the average annual donor gift amount is \$1,000, then your Donor LTV will be 1,667.00.

$\$1000 / .6 = \$1,667.00$

If your attrition rate is at 40%, then your donor LTV is:  $\$1000 / .4 = \$2,500$

**The lower your attrition rate, the more valuable your donors become.**

# Retention Rate 2016

## The Cost of Bad Stewardship

### # of Lost Donors Multiplied by LTV

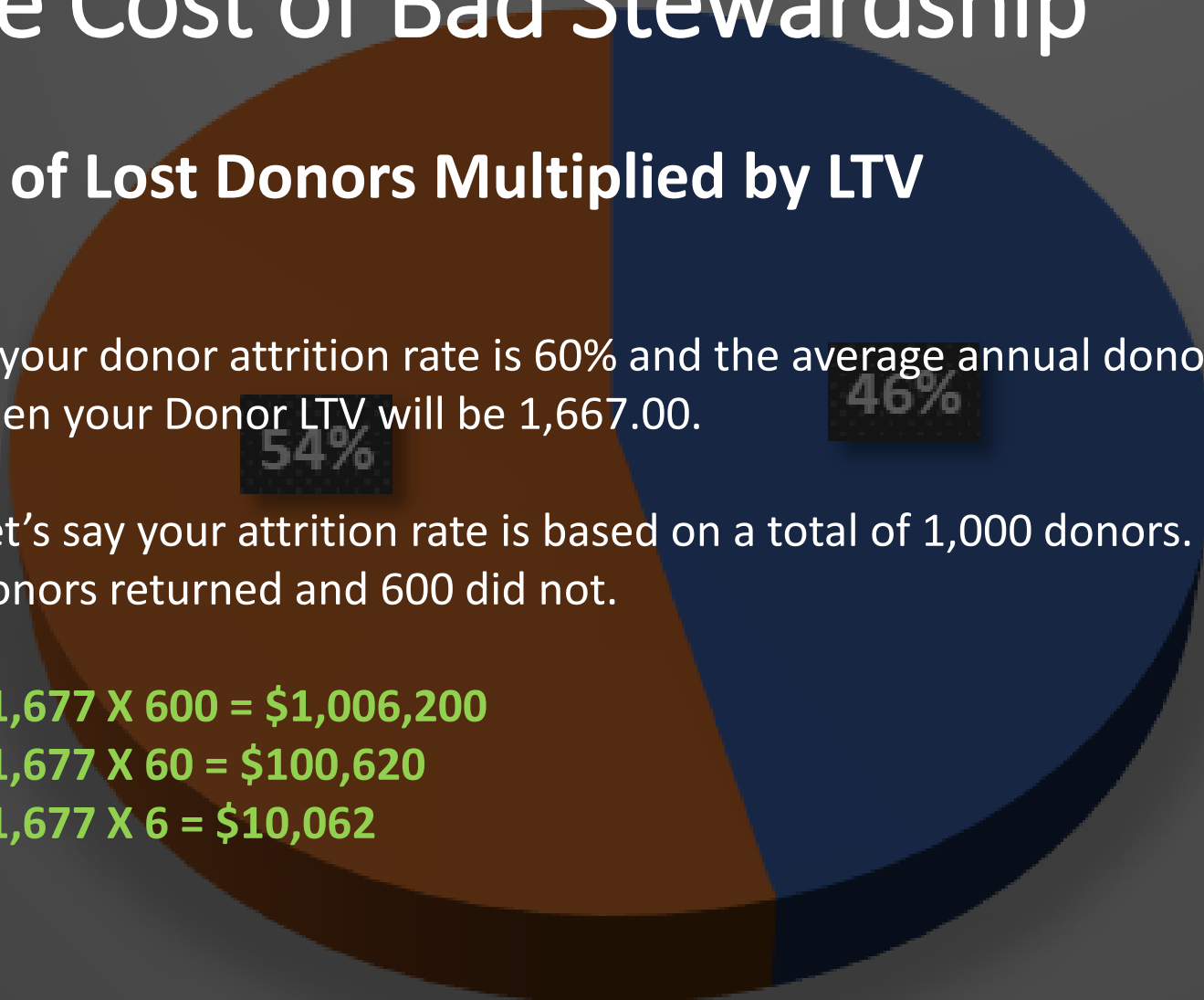
If your donor attrition rate is 60% and the average annual donor gift amount is \$1,000, then your Donor LTV will be 1,667.00.

Let's say your attrition rate is based on a total of 1,000 donors. That means only 400 donors returned and 600 did not.

$$\text{\$1,677} \times 600 = \text{\$1,006,200}$$

$$\text{\$1,677} \times 60 = \text{\$100,620}$$

$$\text{\$1,677} \times 6 = \text{\$10,062}$$



■ Repeat Gifts  
■ Non-repeat gifts

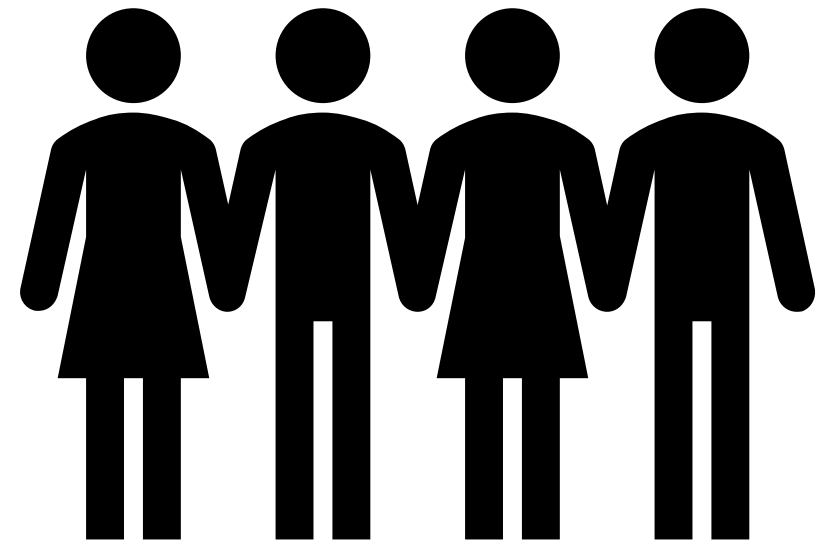
# Good Stewardship Boosts Retention

- It costs **6-7** times more to acquire a new donor than to retain an existing one.
- Acquiring new donors is far more costly than keeping the donors you already have.
- Donors who stick with you for the long haul are more likely to **increase** their giving.



Who is responsible  
for Stewardship?

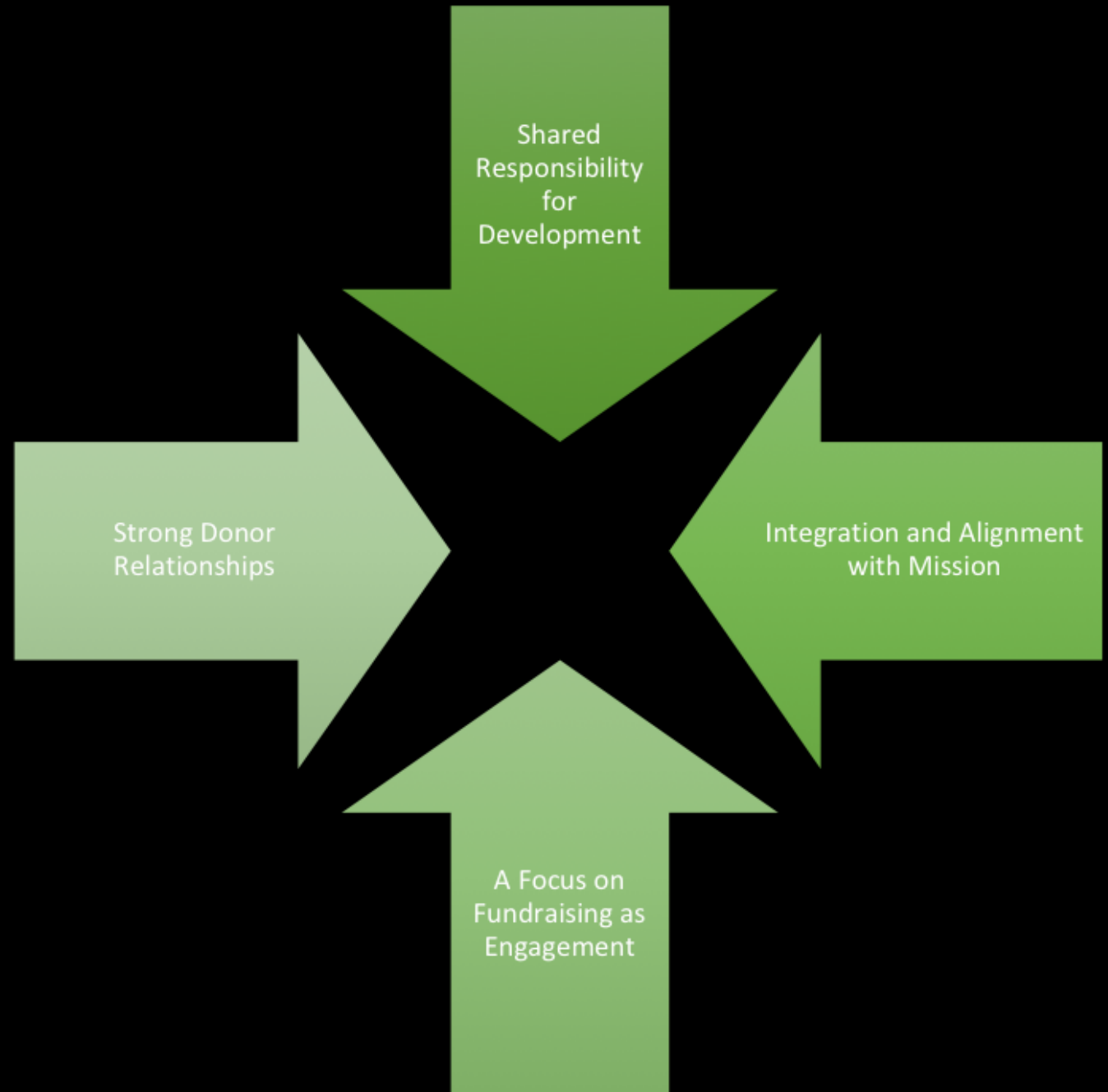
**EVERYONE!**



# The Development Team and Culture of Philanthropy

- The Head of the Organization (CEO, ED, GM)
- Development Director
- Chair of Board Development Committee
- Board Chair
- Board Development Committee
- Other Volunteer Leadership (committed donors, auxiliary groups, other volunteers not on the Board)
- Finance Committee and Staff
- All Board Members
- All Employees: Professional, Program, Support Staff

# What is Culture of Philanthropy?

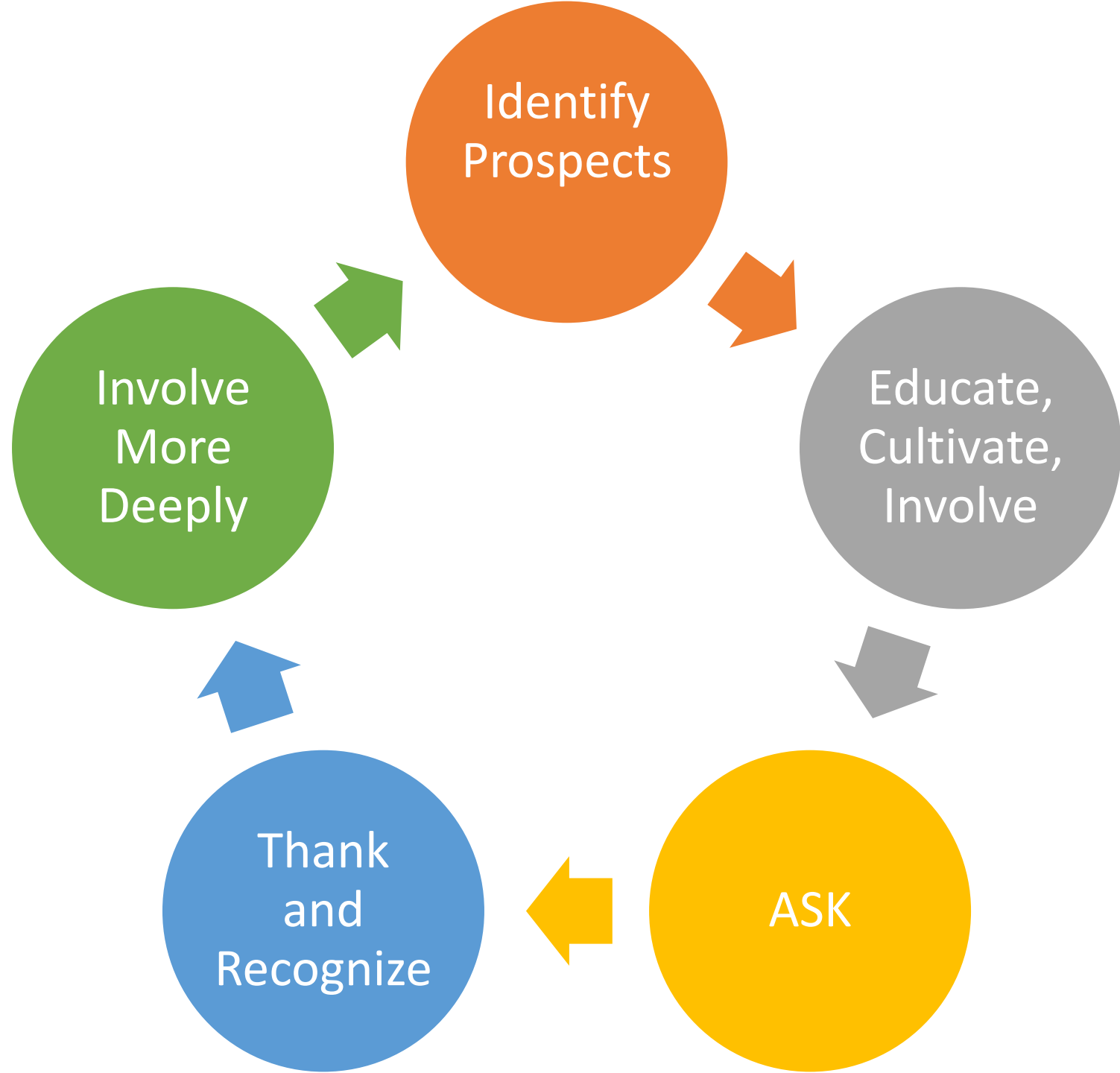


# The Donor Commitment Continuum

## Continuum Descriptions

	Ignorance	Awareness	Interest	Experience	Participation	Ownership
Description	•I may or may not recognize the name of the organization.	•I have heard of the organization.	•I share the values of the organization.	•I have seen/heard/felt the results of the organization's work.	•I participate in the organization's activities and events.	•I volunteer to take on leadership roles when I see a need.
	•I am not familiar with what the organization does.	•I recognize the name of the organization.	•I believe the organization's cause is a good one.	•I know the people in the organization.	•I take on leadership roles when asked.	•I volunteer to serve on committees and boards.
		•I have a rough idea of what the organization does.	•I am likely to read/scan the organizational promotional literature.	•I attend the organization's activities and events.	•I serve on committees and boards when asked.	•I continually seek new ways to advance the mission or the organization.
			•I may contribute occasional small gifts.	•I believe the methods the organization uses to accomplish its mission are good.	•I go beyond giving money to contribute time and energy to the organization as well.	•My affiliation with the organization is an important part of who I am.
				•I believe in the organization's leadership.	•I trust the people in the organization.	•I consider the organization's mission to be my own personal mission.
				•I am likely to contribute repeated and/or annual gifts relative to my finances.	•I feel like part of the organization.	•I am likely to make repeated major gifts for special projects when asked.
					•I contribute repeated and/or annual gifts relative to my finances.	•The organization receives the mass majority of all my philanthropic giving.
					•If my finances allow, I may contribute major gifts for special projects when asked.	

# The Cycle of Fundraising



# Stewardship Plan

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A Road map - Your organization's comprehensive, systematic efforts to build strong relationships with donors.

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Lays the groundwork for thanking, acknowledging and communicating with donors.

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An addition to your Development Plan

# Primary Elements of a Stewardship Plan

01

Series of Recognition

02

Series of Communication

# Series of Recognition

Recognition of donors is acknowledging the donor effectively for the gift they have made to your organization.

- Acknowledging donors should happen more than once.
- The more personal the recognition, the more effective.
- May be more important than making the ask.



# Samples of Recognition

- Letters/Handwritten Notes
- Phone Calls
- Emails
- Videos
- Website Acknowledgement
- Donor Celebration events
- Coffee
- Press Releases

# Series of Communication

Communication with donors is reaching out and regularly touching your donor. The primary reasons for communication:

- Reminding donors about the impact they have made with your organization and the community.
- Inform donors of news and how their gift has made a difference.
- Educate donors about the problem your organization addresses, proposed solutions and the impact it will make in the community in which you all live.
- Stay top of mind.

# Samples of Communication

- Follow up after events seeking advice
- Newsletters
- Surveys
- Questions about personal interests
- Interviews, testimonials, published profiles
- Website
- Podcast
- Social Media

# Quick Tip – The Power of a Question

Simply asking your donors questions. The reason this is important:

- It helps you build a true relationship.
- To learn ALOT about your donors.
  - Their giving priorities
  - Their personal interests
  - Etc...
- Helps you align their involvement with your organization to their specific skill sets and interest.
- Differentiates you.

# Sample Donor Stewardship Recognition Plan

## Qgiv.

Sample Donor Stewardship Plan: Lakeland Animal Shelter						
To-do	Step	Who is Responsible?	When?	1st-time donor	2nd Gift	3+ Gifts
Thank-you phone call	Provide phone numbers	Development Staff	Within 48 hours	✓		
Thank-you call from CEO	Provide phone numbers	CEO	Within 48 hours		✓	✓
Hand-written thank-you note with a photo of a shelter animal, signed by Development Director	Provide a card, mail	Development Staff, signed by Director	Send within 24 hours	✓	✓	✓
Impact letter: "Remember that donation you made a month ago? This is what you've already done!"	Print and send	Development Staff	30 days	✓		
Send video update of impact	Create and send	Development Staff	Quarterly	✓	✓	✓
Donor Interest Survey	Email survey	Development Staff	Two months	✓		
Celebrate donor-versary	Send anniversary card	Development Staff	Annually	✓	✓	✓
Birthday card	Provide card, send	Development Staff	Birthday	✓	✓	✓
Invitation to Shelter Shindig	Send invitation	Development Staff	Annually	✓	✓	✓
Holiday cards	Provide mailing list and cards, send	Development Staff	2nd week of November	✓	✓	✓
Invite to Coffee with the Cats and Canines donor appreciation events	Email invitation	Development Staff	March, July, October	✓	✓	✓
Thank-you story from an adopted pet (written by adopter)	Pick and provide a story from collection, mail out	Development Staff	2x a year	✓	✓	✓

# Sample Stewardship Communications Plan

WealthEngine [www.wealthengine.com](http://www.wealthengine.com)

<b>Timing</b>	<b><u>Stewardship Activity</u></b>
<b>Daily</b>	Previous day's acknowledgements: mail/email
<b>Weekly</b>	Previous week's receipts
	Phone calls to major donors
	CEO signature on thank-you letters
	Mail handwritten notes (collect daily when completed)
<b>Monthly</b>	One day per month, phone calls to previous month's donors
	New donor packets mailed
	quarterly event invitations/plans
<b>Quarterly</b>	Recognition/Behind-the-Scenes events
<b>January</b>	Report on previous year: achievement of goals, report on service delivery, plans for new year
<b>February</b>	"We Love Our Donors" Valentine mailing
<b>March</b>	Annual Report Deliver - electronic and snail mail
<b>April-May</b>	Annual Gala and recognition
<b>June</b>	Mid-Year Report
<b>July-October</b>	Ongoing stewardship, events, etc.
<b>November</b>	Thanksgiving greeting/National Philanthropy Day
<b>December</b>	Holiday greeting
<b>As Needed</b>	Project/program updates - newsworthy happenings

# Recap

- Stewardship is a systematic process to more effectively engage donors
- It is a combined series of Recognition and Communication
- You can gauge stewardship effectiveness through measuring donor retention, attrition and lifetime value
- Effective Fundraising = Healthy Relationships
- Stewardship plans can more effectively establish a culture of philanthropy within your organization

Caldwell Business Group, LLC

806.350.7540

[www.caldwellbusinessgroup.com](http://www.caldwellbusinessgroup.com)

[info@caldwellbg.com](mailto:info@caldwellbg.com)



@CaldwellBG



CaldwellBG

